

**MENTION**

Dénomination / Raison sociale de la Société : FERRERO INTERNATIONAL S.A.

Siège Social : Findel Business Center, Complexe B, L-2632 Luxembourg

Numéro d'immatriculation au registre de commerce et des sociétés : B 60814

Les comptes annuels au : 31 août 2015

Ont été enregistrés et déposés au registre de commerce et des sociétés.

Pour mention aux fins de publication au Mémorial, Recueil des Sociétés et Associations.

**BALANCE SHEET****Financial year from** <sup>01</sup> 01/09/2014 **to** <sup>02</sup> 31/08/2015 (in <sup>03</sup> EUR )

FERRERO INTERNATIONAL S.A.

Rue de Trèves (Findel Business Center)  
L-2632 Findel**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <u>4.567.931.264,00</u>	110 <u>4.619.931.664,00</u>
I. Intangible fixed assets	1111 <u>3</u>	111 <u>8.010.125,00</u>	112 <u>4.265.457,00</u>
1. Research and development costs	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 <u>8.010.125,00</u>	116 <u>4.265.457,00</u>
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 <u>8.010.125,00</u>	118 <u>4.265.457,00</u>
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible fixed assets under development	1123 _____	123 _____	124 _____
II. Tangible fixed assets	1125 _____	125 <u>7.503.826,00</u>	126 <u>6.602.082,00</u>
1. Land and buildings	1127 <u>3</u>	127 <u>4.781.727,00</u>	128 <u>4.429.415,00</u>
2. Plant and machinery	1129 _____	129 _____	130 _____

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 <u>3</u>	131 <u>2.722.099,00</u>	132 <u>2.172.667,00</u>
4. Payments on account and tangible fixed assets under development	1133 _____	133 _____	134 _____
III. Financial fixed assets	1135 _____	135 <u>4.552.417.313,00</u>	136 <u>4.609.064.125,00</u>
1. Shares in affiliated undertakings	1137 <u>4</u>	137 <u>1.620.505.927,00</u>	138 <u>1.651.077.688,00</u>
2. Amounts owed by affiliated undertakings	1139 <u>5</u>	139 <u>2.931.565.107,00</u>	140 <u>2.957.925.804,00</u>
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141 _____	141 _____	142 _____
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Securities and other financial instruments held as fixed assets	1145 _____	145 _____	146 _____
6. Loans and claims held as fixed assets	1147 _____	147 <u>346.279,00</u>	148 <u>60.633,00</u>
7. Own shares or own corporate units	1149 _____	149 _____	150 _____
<b>D. Current assets</b>	1151 _____	151 <u>1.097.286.621,00</u>	152 <u>497.453.892,00</u>
I. Inventories	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work and contracts in progress	1157 _____	157 _____	158 _____
3. Finished goods and merchandise	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 <u>1.096.485.460,00</u>	164 <u>497.184.822,00</u>
1. Trade receivables	1165 _____	165 <u>549.765,00</u>	166 <u>709.122,00</u>
a) becoming due and payable within one year	1167 _____	167 <u>549.765,00</u>	168 <u>709.122,00</u>
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 <u>1.088.481.713,00</u>	172 <u>489.679.094,00</u>
a) becoming due and payable within one year	1173 <u>6</u>	173 <u>1.088.481.713,00</u>	174 <u>489.679.094,00</u>
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____

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	Reference(s)	Current year	Previous year
4. Other receivables	1183 _____	183 <u>7.453.982,00</u>	184 <u>6.796.606,00</u>
a) becoming due and payable within one year	1185 _____	185 <u>7.453.982,00</u>	186 <u>6.796.606,00</u>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____
III. Transferable securities and other financial instruments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by of participating interests	1191 _____	191 _____	192 _____
2. Own shares or own corporate units	1193 _____	193 _____	194 _____
3. Other transferable securities and other financial instruments	1195 _____	195 _____	196 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>801.161,00</u>	198 <u>269.070,00</u>
<b>E. Prepayments</b>	1199 <u>7</u>	199 <u>18.148.477,00</u>	200 <u>5.095.632,00</u>
<b>TOTAL (ASSETS)</b>		201 <u>5.683.366.362,00</u>	202 <u>5.122.481.188,00</u>

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**LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>8</u>	301 <u>1.965.008.691,00</u>	302 <u>2.299.626.960,00</u>
I. Subscribed capital	1303 _____	303 <u>138.000.000,00</u>	304 <u>138.000.000,00</u>
II. Share premium and similar premiums	1305 _____	305 <u>1.320.115.841,00</u>	306 <u>1.320.115.841,00</u>
III. Revaluation reserves	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>13.877.429,00</u>	310 <u>13.800.000,00</u>
1. Legal reserve	1311 _____	311 <u>13.800.000,00</u>	312 <u>13.800.000,00</u>
2. Reserve for own shares or own corporate units	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves	1317 _____	317 <u>77.429,00</u>	318 _____
V. Profit or loss brought forward	1319 _____	319 <u>27.711.365,00</u>	320 <u>814.784,00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>465.304.056,00</u>	322 <u>826.896.335,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
IX. Temporarily not taxable capital gains	1327 _____	327 _____	328 _____
<b>B. Subordinated debts</b>	1329 <u>9</u>	329 <u>2.912.100.000,00</u>	330 <u>2.451.700.000,00</u>
1. Convertible loans	1413 _____	413 <u>1.155.600.000,00</u>	414 <u>1.177.200.000,00</u>
a) becoming due and payable within one year	1415 _____	415 <u>21.600.000,00</u>	416 <u>21.600.000,00</u>
b) becoming due and payable after more than one year	1417 _____	417 <u>1.134.000.000,00</u>	418 <u>1.155.600.000,00</u>
2. Non convertible loans	1419 _____	419 <u>1.756.500.000,00</u>	420 <u>1.274.500.000,00</u>
a) becoming due and payable within one year	1421 _____	421 <u>25.500.000,00</u>	422 <u>18.000.000,00</u>
b) becoming due and payable after more than one year	1423 _____	423 <u>1.731.000.000,00</u>	424 <u>1.256.500.000,00</u>
<b>C. Provisions</b>	1331 <u>10</u>	331 <u>1.725.204,00</u>	332 <u>2.060.353,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 <u>1.725.204,00</u>	338 <u>2.060.353,00</u>
<b>D. Non subordinated debts</b>	1339 _____	339 <u>801.950.967,00</u>	340 <u>366.816.944,00</u>
1. Debenture loans	1341 _____	341 _____	342 _____
a) Convertible loans	1343 _____	343 _____	344 _____
i) becoming due and payable within one year	1345 _____	345 _____	346 _____
ii) becoming due and payable after more than one year	1347 _____	347 _____	348 _____

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	Reference(s)	Current year	Previous year
b) Non convertible loans	1349 _____	349 _____	350 _____
i) becoming due and payable within one year	1351 _____	351 _____	352 _____
ii) becoming due and payable after more than one year	1353 _____	353 _____	354 _____
2. Amounts owed to credit institutions	1355 _____	355 <u>675.025.600,00</u>	356 <u>199.590.000,00</u>
a) becoming due and payable within one year	1357 _____	357 <u>675.025.600,00</u>	358 <u>199.590.000,00</u>
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>24.579.896,00</u>	368 <u>18.275.204,00</u>
a) becoming due and payable within one year	1369 _____	369 <u>24.579.896,00</u>	370 <u>18.275.204,00</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 <u>81.629.870,00</u>	380 <u>139.794.359,00</u>
a) becoming due and payable within one year	1381 _____ <b>11</b>	381 <u>81.629.870,00</u>	382 <u>139.794.359,00</u>
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Tax and social security debts	1391 _____	391 <u>489.741,00</u>	392 <u>448.086,00</u>
a) Tax debts	1393 _____	393 <u>465.751,00</u>	394 <u>448.086,00</u>
b) Social security debts	1395 _____	395 <u>23.990,00</u>	396 _____

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	Reference(s)	Current year	Previous year
9. Other creditors	1397 _____	397 <u>20.225.860,00</u>	398 <u>8.709.295,00</u>
a) becoming due and payable within one year	1399 _____ 12	399 <u>20.225.860,00</u>	400 <u>8.709.295,00</u>
b) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>E. Deferred income</b>	1403 _____	403 <u>2.581.500,00</u>	404 <u>2.276.931,00</u>
<b>TOTAL (LIABILITIES)</b>		405 <u>5.683.366.362,00</u>	406 <u>5.122.481.188,00</u>

## PROFIT AND LOSS ACCOUNT

Financial year from <sup>01</sup> 01/09/2014 to <sup>02</sup> 31/08/2015 (in <sup>03</sup> EUR )

FERRERO INTERNATIONAL S.A.

Rue de Trèves (Findel Business Center)  
L-2632 Findel

## A. CHARGES

	Reference(s)	Current year	Previous year
<b>1. Use of merchandise, raw materials and consumable materials</b>	1601 _____	601 _____	602 _____
<b>2. Other external charges</b>	1603 _____ 14	603 _____ 141.255.542,00	604 _____ 146.279.845,00
<b>3. Staff costs</b>	1605 _____ 13	605 _____ 45.621.594,00	606 _____ 36.735.722,00
a) Salaries and wages	1607 _____	607 _____ 35.593.397,00	608 _____ 27.771.695,00
b) Social security on salaries and wages	1609 _____	609 _____ 4.055.015,00	610 _____ 3.814.964,00
c) Supplementary pension costs	1611 _____	611 _____ 5.516.024,00	612 _____ 4.147.968,00
d) Other social costs	1613 _____	613 _____ 457.158,00	614 _____ 1.001.095,00
<b>4. Value adjustments</b>	1615 _____	615 _____ 2.676.251,00	616 _____ 2.523.938,00
a) on formation expenses and on tangible and intangible fixed assets	1617 _____ 3	617 _____ 2.676.251,00	618 _____ 2.523.938,00
b) on current assets	1619 _____	619 _____	620 _____
<b>5. Other operating charges</b>	1621 _____ 14	621 _____ 10.556.881,00	622 _____ 10.489.384,00
<b>6. Value adjustments and fair value adjustments on financial fixed assets</b>	1623 _____ 4	623 _____ 202.139.827,00	624 _____ 27.400.000,00
<b>7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities</b>	1625 _____	625 _____	626 _____
<b>8. Interest and other financial charges</b>	1627 _____	627 _____ 130.541.661,00	628 _____ 94.291.931,00
a) concerning affiliated undertakings	1629 _____	629 _____ 29.374.848,00	630 _____ 2.077.734,00
b) other interest and similar financial charges	1631 _____	631 _____ 101.166.813,00	632 _____ 92.214.197,00



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	Reference(s)	Current year	Previous year
<b>9. Share of losses of undertakings accounted for under the equity method</b>	1649 _____	649 _____	650 _____
<b>10. Extraordinary charges</b>	1633 _____	633 _____	634 _____
<b>11. Income tax</b>	1635 _____	635 _____	636 _____
<b>12. Other taxes not included in the previous caption</b>	1637 _____ 15	637 _____ 544.260,00	638 _____ 2.143.727,00
<b>13. Profit for the financial year</b>	1639 _____	639 _____ 465.304.056,00	640 _____ 826.896.335,00
<b>TOTAL CHARGES</b>		641 _____ 998.640.072,00	642 _____ 1.146.760.882,00

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**B. INCOME**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 <u>16</u>	701 <u>140.312.416,00</u>	702 <u>125.957.349,00</u>
<b>2. Change in inventories of finished goods and of work and contracts in progress</b>	1703 _____	703 _____	704 _____
<b>3. Fixed assets under development</b>	1705 _____	705 _____	706 _____
<b>4. Reversal of value adjustments</b>	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
<b>5. Other operating income</b>	1713 _____	713 <u>479.100,00</u>	714 <u>4.665.741,00</u>
<b>6. Income from financial fixed assets</b>	1715 <u>17</u>	715 <u>842.838.969,00</u>	716 <u>1.014.816.941,00</u>
a) derived from affiliated undertakings	1717 _____	717 <u>842.838.969,00</u>	718 <u>1.014.816.941,00</u>
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>7. Income from financial current assets</b>	1721 _____	721 <u>15.009.587,00</u>	722 <u>1.320.851,00</u>
a) derived from affiliated undertakings	1723 _____	723 <u>13.892.631,00</u>	724 <u>1.176.657,00</u>
b) other income from financial current assets	1725 _____	725 <u>1.116.956,00</u>	726 <u>144.194,00</u>
<b>8. Other interest and other financial income</b>	1727 _____	727 _____	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 _____	731 _____	732 _____
<b>9. Share of profits of undertakings accounted for under the equity method</b>	1745 _____	745 _____	746 _____
<b>10. Extraordinary income</b>	1733 _____	733 _____	734 _____
<b>13. Loss for the financial year</b>	1735 _____	735 <u>0,00</u>	736 <u>0,00</u>
<b>TOTAL INCOME</b>		737 <u>998.640.072,00</u>	738 <u>1.146.760.882,00</u>

**Ferrero International S.A.**

*Société Anonyme*

Registered office : Findel Business Center, Rue de Trèves L-2632 Findel

R.C.S. Luxembourg B 60.814

(hereinafter referred to as the "Company")

**EXTRACT OF THE RESOLUTIONS TAKEN BY THE ANNUEL GENERAL MEETING OF  
SHAREHOLDERS OF THE COMPANY AT THE REGISTERED OFFICE OF THE  
COMPANY DATED FEBRUARY 25, 2016**

The general meeting of shareholders approved the annual accounts of the Company as at August 31, 2015 and resolved to allocate the net profit of the 2014/2015 financial year of Euro 465.304.056 to the reserve "*profit brought forward*" of the Company.

**Deloitte.**

Deloitte Audit  
Société à responsabilité limitée  
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To the Shareholders of  
Ferrero International S.A.  
Findel Business Center, Complexe B  
Rue de Trèves  
L-2632 Findel

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### **Report on the annual accounts**

We have audited the accompanying annual accounts of Ferrero International S.A., which comprise the balance sheet as at August 31, 2015 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Responsibility of the Board of Directors' for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

**Deloitte.**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

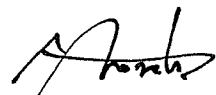
*Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of Ferrero International S.A. as of August 31, 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

**Report on other legal and regulatory requirements**

The Management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

For Deloitte Audit, *Cabinet de révision agréé*

  
Marco Crosetto, *Réviseur d'entreprises agréé*  
Partner

February 25, 2016

**1. ORGANISATION**

Ferrero International S.A. (the “**Company**”), was incorporated on September 22, 1997 under the laws of Luxembourg as a “Société Anonyme”, for an unlimited period of time.

The Company is registered with the Companies and Trade Register of Luxembourg under the R.C.S number. B60.814 and has its registered office located at Findel Business Center – Complexe B, rue de Trèves, L-2632 Findel. The Company is the holding of Ferrero Group (the “**Group**”), a multinational group engaged in the business of manufacturing and marketing confectionery. The object of the Company consists in performing, in Luxembourg as well as abroad, in whatever form, any industrial, commercial, financial, personal or real estate property transactions, which are directly and indirectly in connection with the creation, management and financing, in whatever form, of any undertakings and companies which object is to perform any activities in whatever form, as well as the management and development, permanently or temporarily, of the portfolio created for this purpose. The Company may take participating interests by any means in any businesses, undertakings or companies having the same, analogous or connected object, or which may favour its development or the extension of its operations.

The Company also prepares consolidated financial statements, which are subject to publication as prescribed by the Luxembourg law.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

The balance sheet, the statement of profit and loss and the table included in the annual accounts have been prepared in Euro, while the notes to the annual accounts have been prepared in thousands Euro, unless otherwise stated.

The annual accounts are in conformity with legal and regulatory requirements in Luxembourg. The following definition is applied:

- “Affiliated undertakings” are investments in companies which are controlled either directly or indirectly by the Company through voting rights, the rights to remove or appoint members of the board of directors or the control of the voting rights through an agreement and include Ferrero International itself (the ultimate parent company).

*a) General*

In accordance with the Luxembourg corporate law, the Company does not disclose certain information regarding the geographical details of its turnover (art. 67 (2) of the Law 19 December 2002 as amended) and certain information regarding the investments in subsidiaries (art. 67 (3) of the Law of 19 December 2002, as amended).

The financial year begins on September 1 and ends on August 31 (12 months).

In order to ensure adequate comparability across financial years, reclassifications regarding the previous year may take place when necessary.

*b) Intangible assets*

Intangible fixed assets are recorded at their acquisition price or at cost less accumulated amortization. Intangible assets consist of software costs amortized on a straight line basis over 3 years for other software and over 8 years for software SAP. In case of a permanent reduction in valuation, impairment is booked in the accounts. Impairment may not be continued if the reasons for which the impairment was made have ceased to apply.

*c) Tangible assets*

Tangible assets include operational and office equipment as well as technical equipment and machinery and are depreciated on a straight-line basis over a period of 3 - 9 years. Leasehold improvements are depreciated on a straight-line basis over the shorter period between the useful life and the leasing agreements.

In case of a permanent reduction in valuation, impairment is booked in the accounts. Impairment may not be continued if the reasons for which the impairment was made have ceased to apply.

*d) Financial fixed assets*

Financial fixed assets consist of investments in subsidiaries (see Exhibit I), long term financial receivables and of other participating interests.

Investments are valued at cost less any write-down for permanent impairment in value. Value adjustments are determined on an individual basis and recorded when, according to the Board of Directors of the Company, the financial asset shows a permanent impairment in value. The value adjustments are reversed if, according to the Board of Directors, the reason for which the permanent impairment in value was made have ceased to apply.

Long term financial receivables are stated at nominal value.

Dividends shall be recognised when the shareholder's right to receive payment is established.

*e) Debtors and creditors*

Account receivables are stated at nominal value less allowances for doubtful accounts. Account payables are stated at repayment value.

*f) Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and balance with banks with a short-term maturity.

*g) Provisions*

Provisions for contingencies concern risks and charges of a definite nature and whose existence is certain or probable, but for which at the year-end the timing or amount of future expenditure is uncertain. Provisions represent the best estimate of the expenditure required to settle the obligation or to transfer it to third parties at the balance sheet date.

**Notes to the Annual Accounts**  
**As at August 31, 2015**

**Ferrero International S.A.**

*h) Recognition of income and expenses*

Income and expenses are recognized when the related services are provided or received.

*i) Foreign currency translation*

Fixed assets in foreign currencies are converted into Euro at historical exchange rates at the date of the transaction.

Current assets and liabilities stated in currencies other than Euro are translated at the historical rates or at the rate prevailing at balance sheet date, should this rate be lower or higher, respectively, than historical rate. Income and expenses denominated in currencies other than Euro are translated at the exchange rates prevailing at the dates of the transactions. Only realized exchange gains and losses and unrealized exchange losses are recorded in the profit and loss account.

### 3. INTANGIBLE AND TANGIBLE ASSETS

The movements of intangible and tangible assets during the year are reported on the table below:

Amounts in €	Concessions, patents, licences, trademarks and similar rights and assets	Land and Buildings	Other fixtures and fittings, tools and equipment	Total
<b>Acquisition cost as of August 31, 2014</b>	<b>11.177.494</b>	<b>10.009.752</b>	<b>8.741.627</b>	<b>29.928.873</b>
Acquisitions	4.691.646	1.554.260	1.076.757	7.322.663
<b>Acquisition cost as of August 31, 2015</b>	<b>15.869.140</b>	<b>11.564.012</b>	<b>9.818.384</b>	<b>37.251.536</b>
Accumulated amortisation / depreciation as of August 31, 2014	6.912.037	5.580.337	6.568.960	19.061.334
Amortisation / depreciation of the year	946.978	1.201.948	527.325	2.676.251
<b>Accumulated amortisation / depreciation as of August 31, 2015</b>	<b>7.859.015</b>	<b>6.782.285</b>	<b>7.096.285</b>	<b>21.737.585</b>
<b>Net book value as of August 31, 2014</b>	<b>4.265.457</b>	<b>4.429.415</b>	<b>2.172.667</b>	<b>10.867.539</b>
<b>Net book value as of August 31, 2015</b>	<b>8.010.125</b>	<b>4.781.727</b>	<b>2.722.099</b>	<b>15.513.951</b>

The increase are mainly related to improvement costs on leased buildings, furniture and SAP software.

### 4. SHARES IN AFFILIATED UNDERTAKINGS

Investments represent long-term investments in companies of the Group, directly owned by the Company as of August 31, 2015. Total investments held in Group companies amounted to Euro 1.621 million (decreased by Euro 30,6 million compared to August 31, 2014). All investment in subsidiaries are listed in Exhibit I.



During 2015, new companies named Eurobase International NV and Ferholding UK Ltd have been respectively acquired and incorporated with an investment of Euro 17,7 million. In addition, FSC Luxembourg S.A. and Ferrero Pubbliregia Srl have been sold to other Group Companies. Furthermore the investment held in Ferrero Argentina S.A, Ferrero do Brasil Ltda, Ferrero Corilicola S.A, Ferrero de Mexico S.A de C.V., Soremartec S.A. (Luxembourg), Ferrero India Private Ltd, Ferrero Turkeyie Cicolata A.S. and Energhe Lux S.A increased by Euro 155,2 million.

During 2015, certain investments have been written off for a total amount of Euro 209,8 million in order to reflect the permanent impairment in value, in particular related to Ferrero do Brasil Ltda, and Ferrero de Mexico S.A, furthermore, the provision of Euro 7,7 million booked in the previous years in relation to Ferrero Inc. and Ferrero Lanka Ltd have been reversed as the reasons for which the permanent impairments were booked have ceased to apply.

In the profit and loss account, such net amount (Euro 202,1 million) is shown under "Value adjustments and fair value adjustment of financial fixed assets".

The Company received dividends amounting to Euro 745.463 (Euro 923.879 as at August 31, 2014).

## 5. LOANS TO AFFILIATED UNDERTAKINGS

This caption, amounting to Euro 2.931.565, mainly includes the following loans:

- Euro 1.268.000 as the residual outstanding amount of a dividend distributed by an affiliated company and converted into a long-term interest bearing receivable (expiring in more than 12 months) originally amounting to Euro 1.500.000.

During 2015 the loan has been repaid for an amount of Euro 24.000 (2014: Euro 24.000);

- Euro 167.500 is related to the conversion of a receivable resulting from the sale of some investments held in previous years into a long term loan expiring on December 31, 2017.

The loan has been amortized during 2015 for Euro 6.000.

- Euro 382.000 as the residual outstanding amount of a loan signed during 2010/2011 with Ferrero Middle and Eastern Europe G.m.b.H. expiring on December 31, 2017. The loan has been amortized during 2015 for Euro 6.000.

- Euro 492.500 is the residual outstanding amount of a loan signed during 2014/2015 with Ferrero Middle and Eastern Europe G.m.b.H. expiring on December 31, 2021.

The loan has been amortized during 2015 for Euro 7.500.

- Euro 200.000 as the residual outstanding amount of a loan signed during 2010/2011 with FERVALUE S.à.r.l.

- Euro 421.565 signed with the other subsidiaries, in particular Ferrero de Mexico S.A., Ferrero Ardennes S.A, Ferrero do Brasil Industria Doceira e Alimentar Ltda, Ferrero Food (Hangzhou) Company Ltd and Ferrero Ithemba RSA (PTY).

- The loan with Ferrero Canada has been totally repaid.

As at August 31, 2015 interest matured amounted to Euro 95 million (2014 Euro 91 million).

## 6. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

The Company provides central function services to Group companies in different fields such as finance, human resource, legal, marketing and others. At year-end, the Company has outstanding receivables from affiliated companies for an amount of Euro 1.088,5 million (Euro 489,7 million compared to August 31, 2014), which is mainly made up of management fees charged to subsidiaries (Euro 102 million), short term financial receivables (Euro 698,7 million, increased by Euro 325 million compared with previous year and mainly related to the increase of cash pooling balance with Ferrero Trading Lux S.A. – interest bearing according to market condition and short term loan with Ferholding UK Ltd), receivable dividend to subsidiaries (Euro 254,9 million) and other minor items.

## 7. PREPAYMENTS

Prepaid expenses mainly consist of marketing, advertising, insurance, IT and rental expenses. The increase compared with previous year is related to IT and SAP expenses.

## 8. CAPITAL AND RESERVES

### *a) Share capital*

As at August 31, 2015, Share capital amounts to Euro 138.000 and is represented by 3.000.000 shares with a par value of Euro 46 each, divided into 12 non-cumulative five percent preference shares and 2.999.988 common shares.

### *b) Authorized capital*

The authorized capital is set at Euro 230.000 represented by 5.000.000 shares with par value of Euro 46 each, subdivided into 1.000 non-cumulative five percent preference shares and 4.999.000 common shares.

### *c) Share premium*

The share premium of Euro 1.320.116 was paid by way of a contribution in kind on incorporation of the Company in September 1997.

### *d) Legal reserve*

Legal reserve amounts to Euro 13.800 which represents the ten percent of the issued share capital in accordance with Luxembourg law. The legal reserve is not available for dividend distribution.

**Notes to the Annual Accounts**  
**As at August 31, 2015**

**Ferrero International S.A.**

*e) Profit brought forward and other reserves*

The profit brought forward amount to Euro 27.711, while the other reserves of Euro 77 refer to the exchange rate reserve.

During 2014, the Company paid Euro 800.000 of dividends.

During the year, the movements of capital and reserves were as follows:

Amounts in €	Subscribed capital	Share premium and similar premiums	Legal reserve	Profit brought forward	Other reserves	Profit for the financial year	Total
<b>BALANCE AS OF AUGUST 31, 2014</b>	<b>138.000.000</b>	<b>1.320.115.841</b>	<b>13.800.000</b>	<b>814.784</b>		<b>826.896.335</b>	<b>2.299.626.960</b>
Dividend distribution				(799.999.754)			(799.999.754)
Result allocation				826.896.335		(826.896.335)	
Reserve of exchange rate					77.429		77.429
Profit for the financial year						465.304.056	465.304.056
<b>BALANCE AS OF AUGUST 31, 2015</b>	<b>138.000.000</b>	<b>1.320.115.841</b>	<b>13.800.000</b>	<b>27.711.365</b>	<b>77.429</b>	<b>465.304.056</b>	<b>1.965.008.691</b>

## 9. SUBORDINATED DEBT

This caption includes a subordinated convertible interest bearing long-term debt amounting to Euro 1.155.600. Such debt consists of two partial amounts expiring on December 31, 2017.

During the year, debt has been reimbursed for an amount of Euro 21.600 (2014: Euro 21.600).

The debt includes a conversion clause to be exercised at discretionary request by the borrower any time between January 1, 2017 and June 30, 2017.

The caption also includes other four loans of Euro 167.500, Euro 709.000 both expiring on December 31, 2017, Euro 200.000 expiring on December 31, 2019 and Euro 180.000 expiring on December 31, 2021.

During the period, the Company signed a new loan of Euro 500.000 and expiring date on December 31, 2021.

As of August 31, 2015, interest matured on such loans amounted to Euro 100 million (2014: Euro 91 million).

## 10. PROVISIONS

The caption amounts to Euro 1.725 (2014: Euro 2.060), and includes the best estimate at year-end for pending litigations and restructuring personnel costs.

**11. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS**

The caption is equal to Euro 81.630 related to intercompany payables. The caption decreased by Euro 58.164 compared with the previous year, mainly related to the payment of investment in Ferrero Food (Hangzhou) Co. Ltd in China.

**12. OTHER CREDITORS**

Other creditors are mainly made up by debts toward personnel and other third parties. In particular, the increase of the caption is related to the acquisition of the investment in Eurobase International NV.

**13. STAFF COSTS**

The average employee number as at August 31, 2015 is 192 employees (189 employees as of August 31, 2014).

**14. OTHER EXTERNAL AND OPERATING CHARGES**

As at August 31, 2015, other operating charges mainly include cost for consultants, travels, rental, energy and communication.

During the year, the total remuneration of the members of the Board of Directors amounted to Euro 2.346 (Euro 2.416 in 2014).

**15. TAXES**

The Company is considered a "Tax Unit" together with the affiliated companies incorporated in Luxembourg. The Company is subject to all taxes applicable to a Luxembourg "Société Anonyme".

As at August 31, 2015, the caption mainly includes withholding tax.

**16. NET TURNOVER**

The caption mainly includes management fees charged to subsidiaries and amounts to Euro 101.762 (Euro 92.968 as of August 31, 2014).

**17. INCOME FROM FINANCIAL FIXED ASSET**

The caption mainly includes dividends received from affiliated companies for Euro 745.463 (Euro 923.879 as of August 31, 2014) and interest from affiliated company for Euro 95.202 (Euro 90.938 as of August 31, 2014).

The dividends are mainly received from Ferrero Middle and Eastern Europe G.m.b.H.

**18. OFF-BALANCE SHEET COMMITMENTS***a) Guarantees*

The total of all guarantees provided by the Company is equal to Euro 262.687 that includes Euro 259.448 on behalf of affiliated companies.

*b) Lease commitments*

As at August 31, 2015, the Company has operating lease commitments as follows:

2016	10.822
Thereafter	17.833
	<u>28.655</u>

The leasing contracts refer to cars and rental agreements for the offices located in Findel (expiration date December 31, 2020).

**19. SUBSEQUENT EVENTS**

No significant event occurred since the end of the financial year.

EXHIBIT I

**Notes to the Annual Accounts**  
**As at August 31, 2015**

**Ferrero International S.A.**

<b>Investments in subsidiaries</b>	<b>Country</b>	<b>City</b>	<b>% Held</b>
Energhe Lux S.A	Luxembourg	Findel	100,00%
Eurobase International N.V.	Belgium	Herenthout	100,00%
Ferholding UK Ltd	United Kingdom	Hertfordshire	100,00%
Ferrero Ardennes S.A.	Belgium	Arlon	75,60%
Ferrero Argentina S.A.	Argentina	Buenos Aires	90,00%
Ferrero Asia Ltd.	Hong Kong	Hong Kong	99,99%
Ferrero Australia Pty. Ltd.	Australia	Sydney	100,00%
Ferrero Canada Ltd.	Canada	Toronto	0,40%
Ferrero Corilicola S.A.	Argentina	Buenos Aires	62,76%
Ferrero de Mexico S.A. de C.V.	Mexico	Guadalajara	99,99%
Ferrero do Brasil Industria Doceira e Alimentar Ltda.	Brasil	Pocos de Caldas	99,99%
Ferrero Food (Hangzhou) Co Ltd	China	Hangzhou	100,00%
Ferrero France S.A.	France	M.S. Aignan	99,99%
Ferrero Iberica S.A.	Spain	Barcelona	99,99%
Ferrero Inc.	Porto Rico	Caguas	100,00%
Ferrero India Private Limited	India	Pune	73,97%
Ferrero Ireland Ltd.	Ireland	Cork	99,99%
Ferrero Ithemba RSA Pty Ltd	South Africa	Sandton	100,00%
Ferrero Japan Ltd.	Japan	Tokyo	100,00%
Ferrero Lanka PVT Ltd	Sri Lanka	Colombo	99,99%
Ferrero Middle & Eastern Europe G.m.b.h.	Germany	Frankfurt	100,00%
Ferrero S.p.A.	Italy	Alba	100,00%
Ferrero Trading (Shanghai) Co. Ltd	China	Shanghai	100,00%
Ferrero Türkiye Çikolata ve Tarım Ürünleri Sanayi ve Dış Ticaret A.Ş.,	Turkey	Istanbul	95,61%
Ferrero U.S.A. Inc.	USA	Somerset	100,00%
Ferrero UK Ltd.	United Kingdom	Watford	100,00%
Fervalue S.à.r.l	Luxembourg	Findel	100,00%
Fruticola Agrichile S.A.	Chile	Curico	1,46%
Magic Production Group (M.P.G.) S.A.	Luxembourg	Findel	100,00%
Pekurmo Investeringsmaatschappij B.V	Netherlands	Rotterdam	100,00%
Sereco RE S.A.	Luxembourg	Findel	100,00%
Sodeser S.A. de C.V.	Mexico	Guadalajara	99,98%
Soremartec S.A	Luxembourg	Findel	100,00%
Soremartec S.A.	Belgium	Arlon	99,99%